SOVIET WORKERS AND DE-STALINIZATION

The consolidation of the modern system of Soviet production relations, 1953–1964

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Introduction: the contradictions of de-Stalinization

When Stalin died in March 1953, he left behind a country in a deep state of crisis. No sphere of the economy, politics, or society was immune. The economy, despite its rapid recovery from the ravages of World War II, was in considerable difficulty. The crisis was most glaring in agriculture, which was poorly mechanized and unable to provide the country with more than the most basic foodstuffs. Industry, though not in the same obvious state of decline as the countryside, continued to suffer from the structural weaknesses created by Stalinist industrialization: management was overcentralized and top-heavy; productivity and technology lagged badly behind those of the West; and production of consumer goods was woefully inadequate. In 1952, light industry produced just three pairs of socks or stockings for each member of the population, and barely more than one pair of shoes. Consumer durables such as refrigerators or television sets were virtually unobtainable.[1] But the pitiful economic realities were themselves symptomatic of a more profound political demoralization affecting the Soviet population. The terror and the network of labour camps on which the Stalinist system had so heavily depended had clearly outlived their usefulness. Not only was it clear that the population could no longer be expected to accept the strain under which the terror placed them, but the camps themselves were becoming increasingly difficult to control and manage, as evidenced by a growing number of rebellions.[2]

It did not require a profound understanding of the political economy of the Stalinist system to recognize the direct relation between the population's discontent and the economic impasse. People alienated from the political system and resentful of the terror and the mass of bureaucratic restrictions on their lives were unlikely to display a great deal of enthusiasm or effort at work. It followed from this that there would be no substantial improvement in economic

performance unless the post-Stalin leadership could solve the problem of how to motivate the population. In this sense, de-Stalinization was a clear economic necessity, directed precisely to the issue of how, in the face of profound popular demoralization, the regime could coax the population into making renewed efforts at the workplace. There were other objectives, to be sure, in particular the larger crisis of legitimacy which the terror had created, but the issue of the economy was a paramount factor behind the political thaw.[3]

This basic truth was perceived, albeit with different degrees of clarity, by all those involved in the struggle for succession: Lavrenti Beria, Lazar Kaganovich, V. M. Molotov, K. E. Voroshilov, G. M. Malenkov, and Nikita Khrushchev. Ironically, Khrushchev, whose name was to become synonymous with the term 'de-Stalinization', was perhaps the most cautious in this regard. Instead it was Beria, the dreaded and ruthless head of the secret police, who initially emerged as the most 'radical' of the de-Stalinizers: he advocated a substantial reorganization of agriculture to ease the heavy burdens on the peasantry, proposed relaxing the Soviet Union's hold on Eastern Europe, in particular East Germany, and held out prospects for less repressive control over the non-Russian nationalities within the USSR.[4] Malenkov, who as chairperson of the Council of Ministers was nominal head of state, also proposed major changes. In April, barely a month after Stalin's death, he lowered retail food prices – an empty gesture at a time of dire scarcity, but clearly designed to win popular approval for the new leadership. He also championed a reorientation of industrial production towards light industry.[5] These trends were carried further after the so-called Beria Affair in June 1953 when, at Khrushchev's urging, the Communist Party Presidium had Beria arrested and summarily shot, on the grounds that he was preparing a *coup d'état*.[6] At the Central Committee Plenum held in July 1953, just after Beria's execution, the new industrial policy was reaffirmed, and there were even criticisms, albeit of a veiled nature, of Stalin himself.[7]

The need for reform presented the new leadership with a fundamental problem. Economic revival would require substantial improvements in productivity, that is, the extraction of greater effort from the population. If the terror was no longer a viable method of social control (and, in fact, was now recognized as counter-productive), how was this to be achieved? Merely tampering with the economy, or even offering greater material incentives would not on their own be sufficient. It required liberalization of the overall political and intellectual climate to restore some legitimacy to the regime in the eyes of its

population, and to make people believe that they had some stake in the system, no matter how illusory this was in reality. Only then would they be prepared to make the sacrifices the regime would require. Khrushchev probably understood this point far better than his rivals. But, like the others, he also realized that such a policy was fraught with dangers and had definite limits. There would have to be change, but not so great as to threaten the ruling group's hold on power. Moreover, the political leadership did not exist in a vacuum: even under Stalin, the leadership had exercised power on behalf of a ruling elite of top officials, economic managers, and the upper echelons of the policy-influencing intelligentsia. The class position of this group, as expropriators of the surplus product created by workers and peasants, would have to be preserved. The system had to be reformed, but without undermining the basic class relations from which the elite drew its privileges.[8]

This fundamental dilemma was to be observed in virtually all of Khrushchev's major reforms: the attempts at political liberalization, industrial reorganization, the Virgin Lands and other agricultural campaigns, and the shake-up of the Communist Party apparatus. Because of his flamboyant style, his often appalling judgement when it came to selecting advisers, and the impetuosity with which he often pursued his policies, it has always been tempting to see the failures of Khrushchev's reforms as being largely the result of his personal idiosyncrasies. Yet a careful look at the reforms reveals that the problem lay far deeper, in the nature of the Soviet system itself. In some cases, like the reorganization of the Communist Party, the bureaucratic apparatus which had to implement particular policies distorted them or simply ignored them because they perceived that the changes would threaten their jobs and privileges.[9] In others, such as the Virgin Lands campaign, Khrushchev was unable to overcome the opposition of powerful industrial and defence ministries, who blocked any reallocation of resources away from their bases of power.[10] In still others, the leadership itself, including Khrushchev, were keenly aware that to go too far with liberalization would call into question their own legitimacy, as Stalin's heirs, to rule the country.[11] The common thread linking all these policies and campaigns was that the reforms that *had* to be made could *not* be made without threatening the integrity of the Stalinist system itself.

This same contradiction impinged upon efforts to change the basic pattern of worker–manager relations within industry, in particular the workforce's relationship to the labour process as it emerged

historically from Stalinist industrialization. No reform of industry could succeed without coming to grips with this major issue, for it went to the very heart of the elite's difficulties: its limited control over the extraction and disposal of society's surplus product.[12]

Stalinist industrialization had created a highly specific network of worker–manager relations on the shop floor, which derived from the political relationship between industrialization and the emerging Soviet elite's consolidation of power. As I have argued elsewhere,[13] the bureaucratic apparatus that had grown up during the New Economic Policy, which derived its privileges from the inequalities bred by the predominance of the market in a country plagued by economic backwardness and scarcity, could secure its position only by eliminating threats to its domination from two potential sources of opposition. First there was the peasantry, which produced for the market and whose economic activity was therefore governed by the law of value. Without the eventual transformation of peasant farms into socially owned, collective agriculture (which has nothing to do with the barbarism of Stalinist collectivization), the peasantry's long-term needs could be met only by a restoration of capitalism. Secondly, there was the industrial working class, which though depleted by World War I and the Civil War, and further demoralized by its progressive exclusion from decision-making within the industrial enterprise and society at large, still retained the long-term potential to reconstitute itself and assume power in its own name. This residual power was evidenced by the widespread discontent and spontaneous resistance actually mounted during the early years of forced industrialization. The elite could thus secure its own class position as expropriators of the surplus product only by subordinating both of these other classes. It abolished almost all vestiges of market relations and production based on the law of value, while systematically breaking up the old working class of the Revolutionary and NEP periods. Because its power relied exclusively on its control over the state apparatus, rather than through the automaticity that comes with the market and the ownership of capital, it could safeguard its dominance only by atomizing the population and making collective resistance impossible, a task it accomplished through the terror.

The significance of this political struggle for the nature of the labour process is described in more detail in chapter 5. What is important here is that the workers, denied the opportunity collectively to defend their interests through political parties, genuine trade unions, or even industrial action, appropriated control over the one area left open to

them: the individual labour process. In this they were aided by the chaotic, unplanned nature of Stalinist industrialization, which made coordination within and between enterprises extremely haphazard, and by the chronic labour shortage created by the breakneck pace of industrial development. This partial control over the individual labour process manifested itself most visibly in the area of labour discipline. Absenteeism and insubordination, especially in the period up to 1933, were extremely high.[14] As the standard of living fell and the labour shortage grew increasingly severe, labour turnover shot up, so that in 1930 the average sojourn in a job was a mere eight months (four months in coal-mining).[15] Attempts by the regime to curb job-changing and truancy met with little success, because managers would not enforce discipline regulations, lest it make the labour shortage even worse.[16]

Overt violations of discipline were not, however, the most crucial way in which workers reasserted control over shop-floor life. More important was their relationship to production itself. Workers exercised considerable control over work speeds, taking advantage of the almost constant disruptions endemic to the Stalinist system: supply shortages, lack of tools, equipment breakdowns, and even long queues caused by the chronic disorganization of factory dining rooms. They similarly showed a general disregard for quality, which deteriorated sharply with industrialization and became a defining characteristic of Soviet production. Here, too, because of the labour shortage, management was almost powerless to compel workers to abandon such behaviour. When the regime attempted to force the issue through its annual rises in output quotas (norms) and cuts in wage rates, and through speed-up campaigns such as shock work and Stakhanovism, managers often had to respond by colluding to protect workers through keeping norms low or inflating earnings through fictitious or semi-fictitious bonus payments.[17] Given the nature of the Stalinist system, where managerial success depended on high plan fulfilment under conditions where the availability of both labour power and supplies was highly uncertain, such collusion became a normal part of factory life.[18]

Labour policy in the Khrushchev years faced the basic problem of how to deal with this legacy and how to compel or persuade workers to surrender the various defensive devices they had developed during the Stalin period. First, there was the need to tackle labour turnover, which, although it never reached the dizzying magnitude of the pre-war years, nevertheless rose following the liberalization of labour

legislation in 1956 and confronted various regions and industries with serious difficulties. Secondly, there was the related issue of the labour shortage, which manifested itself in both the newly developing regions of Siberia and the Far East, and in such traditional industries as engineering. Thirdly, there was the informal network of localized wage agreements between management and workforce which blunted the use of wages as a prod to greater work effort. Finally, there was the question of the labour process itself, and the endeavour to break down the larger fabric of worker–management concessions which stemmed from workers' imperfect, but nonetheless considerable control over the way they organized and executed their work.

Although each of these issues is treated more or less thematically in the course of this book, they were closely interrelated. High turnover fed off the persistence of the labour shortage, which allowed workers freely to abandon jobs in the knowledge that they would always find a new one. The unwillingness of workers to put up with the dismal working and living conditions in the new Siberian settlements, or with the restrictions on their control over work speeds and on earnings which the Khrushchev wage reform imposed in engineering, virtually guaranteed that high turnover would undermine other policies aimed at easing the labour shortage in these areas. Similarly, the relatively high intensity of labour and low wages in industries and trades reliant on women workers meant that women outside the workforce had little incentive to leave the home for jobs in the factory. Efforts to extend political de-Stalinization to the workplace, and thus to raise the regime's moral and political legitimacy among the workforce, had equally contradictory consequences. The repressive Stalinist labour laws of the 1940s were repealed, and the trade unions were given greater rights to veto dismissals. While such measures no doubt did something to reduce simmering tensions between the population and the elite, their immediate consequence was to make labour mobility more difficult to control. This pattern was perhaps even more striking in the case of the wage reform. For by attacking the long-established mechanisms through which managers more or less guaranteed most workers their 'accepted' levels of earnings, the reform, far from providing countervailing inducements, merely set in motion a new wave of circumventions and arbitrary local distortions which subverted the attempt to reconstruct a viable system of incentives.

In the end, however, the central problem which the regime had to tackle was the nature of the Soviet labour process itself. And here, as we shall see, the elite had no coherent strategy. Rather, it tried to

weaken workers' control by limiting their field of action in more peripheral spheres, such as labour mobility or incentives. Yet its problems in these areas derived from the essence of the labour process, and so these issues, too, remained unresolved. Through their partial control over the actual execution of work, workers contributed to the persistence and reproducibility of the most basic causes of industrial disruption: supply shortages, poor quality, incomplete batches of parts, huge variabilities in labour productivity and the use of work time, and the general breakdown of coordination between the different links in the chain of production to which these all led. These uncertainties in the industrial environment in turn tended to reproduce the individual worker's enhanced bargaining power. They vastly increased the demand for labour power, and so made the labour shortage more or less permanent, thereby weakening the impact of any disciplinary sanctions that either the regime or management might try to impose. Of equal importance, the various dislocations plaguing production were so great that management constantly relied on workers' cooperation to try to attenuate their impact, so as to keep plan fulfilment within reach. In return, management had to tolerate workers' retention of traditional work practices and to compensate irregularities in earnings that the unpredictability of production caused. The elite was thus faced with an unsolvable dilemma. It could not impose greater conformity on worker behaviour without first restoring predictability and cohesion to the cycle of production and distribution. Yet it could not rationalize the management and organization of production without re-establishing control over workers' individual actions.

The roots of the elite's difficulties lay in the genesis of the Stalinist system, in particular the need to atomize the workforce so as to ensure the elite's political domination. But this atomization relied on an extreme individualization of the work process, which then acted to deprive the plans of any coherence they might have contained.[19] The effects were partially mitigated by the terror and the use of a huge slave-labour sector to take up the slack left by inefficiencies in the 'free' areas of production. Once the terror was removed, the regime had no effective means of controlling workers' behaviour. It could not rely on the coercive power of the market, in particular unemployment. Nor could it offer workers the positive inducements to labour that genuine socialist democracy would provide. Both would have necessitated a total transformation of the property and power relations of the Stalinist system and would, in their different ways, have deprived the elite

of any basis for its continued rule: the one by restoring capitalism, the other by allowing a politicized and self-conscious society collectively to determine policies, priorities, and the ways these would be achieved.

The result was that under Khrushchev the basic tendencies governing the industrial environment, which had been spawned by Stalinist industrialization but at the same time had been kept partially in check by the police state, *could now manifest themselves in pure form*. Far from witnessing any major changes in the nature of workforce–management relations, de-Stalinization saw their actual consolidation. The Khrushchev years thus constitute a transitional period, during which the modern system of Soviet production relations came to maturity. If under Stalin the essence of the system had manifested itself in distorted fashion, now under Khrushchev this essence became clearly expressed in its concrete phenomena.

This point is of more than just methodological or analytical interest. The experience of the Khrushchev years has considerable significance for events in the USSR under *perestroika*. For it calls into question the reformability of the Soviet system. The problem which confronted the Soviet elite when Gorbachev acceded to power in 1985 was identical to the one it faced in 1953. The economy, and hence the society which it underpinned, were in stasis. In Marx's terms, it was nearing the point where it had exhausted the possibilities contained in the existing social form of production. The problem facing the elite was how to transform the system, make it more efficient, and reintroduce some dynamic to it while still keeping its basic property relations – and hence the elite's privileges – intact. This necessarily involved a frontal attack on the content of the labour process, that is, on the way in which the surplus was extracted and appropriated. The extent and rate of surplus extraction had to be increased and the elite's disposition over it made more precise. In political terms, this meant attacking the working class and the entire fabric of social relations within the workplace. The elite proved unable to develop a coherent strategy for such an assault (see my discussion in the conclusion). To a certain extent, this was due to splits in its own ranks and to resistance, albeit limited, from the workers themselves. The main reason, however, is that such a strategy still did not provide an effective economic regulator for the system. The Stalinist system survived for 60 years as a hybrid system based on neither the anarchic and crisis-ridden spontaneity of the market, nor the self-conscious planning of democratic socialism. From a historical point of view, it was thus highly unstable. As the system neared the

end of its developmental possibilities, it became increasingly evident, including to the elite itself, that history offered no viable 'third way' between these two poles. Thus the elite under Gorbachev was left with no choice but to opt for the market and the eventual restoration of capitalism, for then at least some sections of it might have been able to retain their positions of dominance and privilege by entering the new bourgeoisie.

This dilemma was already present in embryonic form in the Khrushchev years. The entire experience of de-Stalinization was one where the more far-sighted sections of the ruling hierarchy attempted to bend the system without breaking it. This process was doomed to failure, because the system's inherent instability meant that radical changes, whether in the planning system, political life, or the process of production, would always threaten to burst through the system's fragile integument and bring about its total collapse. Thus, perhaps ironically, inertial forces, and not the reformers, were better placed to guarantee the system's short-term survival. This explains Khrushchev's failure, the longevity of the Brezhnevite reaction, and the ultimate collapse of Gorbachev's original conception of *perestroika*.

The argument of the book is set out as follows. Part I examines the main features of labour policy during the Khrushchev period. It opens with a description of the work environment encountered by the individual worker on the shop floor, so as to establish the context of constraints within which both workers and managers had to operate. Chapter 2 analyses the restoration of the labour market and the political moves which accompanied it, in particular the liberalization of labour law and the so-called 'democratization' of the trade unions, and their relationship to labour turnover. Chapter 3 deals with the complex issue of the labour shortage: its reproduction, the campaigns to draw women and young people into production, especially in Siberia and other developing regions, and the particular crisis that hit the engineering industry in the aftermath of the wage reform. Chapter 4 examines the wage reform and its ultimate failure to create a viable system of incentives, through which the regime hoped to regain some control over workers' actions within the labour process.

Part II provides a detailed analysis of the Soviet labour process as it emerged and consolidated itself in the Khrushchev period. It begins with a theoretical discussion of its historical genesis (chapter 5), and goes on to look at three main issues: control over the surplus product (chapter 6); the special position of women workers and the role they

play in the elite's attempts to bolster its compromised control over the surplus (chapter 7); and the issue of de-skilling as it relates to broader debates about control over the labour process in capitalist society (chapter 8). The conclusion summarizes the main findings about the Khrushchev period and relates them to the problems confronting the Soviet elite in the USSR under *perestroika*.